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Abandoning Central America
Where's the Left's Central American altruism?
By Rich Lowry

Back during the Reagan years, few things so exercised self-styled idealists of the left as the fate of Central America. They bewailed its civil wars, and the way its governments allied with the U.S. were supposedly autocratic and abusive. When “Sandalistas” — the archetypical Birkenstock-wearing friends of Nicaragua’s left-wing government — urged people to “think globally, act locally,” they were mostly thinking of Central America.

Flash forward two decades and a fragile democratic revolution in the region later. That old (misplaced) idealism has transformed into a genuflection to the protectionism of American labor: “Think globally, act however AFL-CIO head John Sweeney dictates.” And so almost all of the House Democratic caucus has lined up in opposition to the U.S.-Central American-Dominican Republic Free Trade Agreement (CAFTA).

CAFTA was finished last year and will be taken up by Congress next week. President Bush plugged the agreement in a speech to Organization of American States foreign ministers in Fort Lauderdale, Fla., on Monday. It is the most important Central America-related initiative Congress will take up for decades, and on its passage hinges the future of the region.

The agreement is a win-win. The University of Michigan estimates that it would boost U.S. income by \$17 billion and Central American income by \$5 billion. Thanks to their proximity to the U.S., CAFTA countries together constitute the 13th-largest U.S. trading partner. Forward-looking leaders in the region have made CAFTA a centerpiece of their development strategies, hoping to create a virtuous circle of economic growth feeding and building on political and economic reform.

Chile is a model. The U.S. trade agreement with Chile that went into effect in 2004 expanded exports between both countries by 30 percent its first year. As State Department official Robert Zoellick pointed out in a recent speech, “The country in Latin America that has dramatically reduced inequality, unemployment and poverty in recent decades while also increasing real wages and pensions for working families is Chile — the country that has most opened its economy to free trade.”

So why not CAFTA? Bipartisan majorities support programs to give developing nations tariff-free access to the U.S. market. Democrats in particular support these programs on humanitarian grounds, including the Caribbean Basin Initiative, which has helped make 80 percent of exports from CAFTA countries already tariff-free. But when it comes to a free-trade agreement that will benefit U.S. exporters by giving them, in return, tariff-free access to foreign markets, then the Democrats find reasons to be oddly opposed.

They point to what they say are CAFTA's insufficient labor and environmental standards. But those standards are more far-reaching than those in the U.S. agreement with Jordan, negotiated by the Clinton administration and approved by Congress in 2001, and roughly equivalent to those in the agreement with Morocco, approved by a wide margin last year. While it's unrealistic for poor countries to live up to first-world standards, the CAFTA countries have tightened up their labor codes and practices to bring them in line with International Labor Organization standards. A representative of the Humane Society International recently told Congress, "CAFTA has brought the issues of protecting the environment ... to the forefront in Central America."

The fact is that unions simply don't like free-trade agreements. They opposed last year's free-trade agreement with Australia, even though the Aussies have roughly a \$9-an-hour minimum wage (U.S. dollars) and we run a \$9 billion trade surplus with them. The unions gave Democrats a pass on that agreement, so they felt liberated to vote for it. The unions won't be so forgiving on CAFTA, so nearly all House Democrats — even moderate "New Democrats" — are lining up to try to defeat it.

The agreement isn't perfect. It unfairly protects the U.S. sugar and textile industries. But it will foster growth here and in Central America, and help cement the region's progress. Its uncertain political prospects would be helped immeasurably if the Left mustered on its behalf a spasm of its former Central American altruism.

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